

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF VALLEY)	CASE NO. 6902-S
GAS, INC.)	

O R D E R

On February 12, 1978, the Commission issued its Order in Case No. 6902 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On October 12, 1984, Valley Gas, Inc., ("Valley") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Texas Gas Transmission Corporation ("Texas Gas"), effective September 18, 1984, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Valley's notice of October 12, 1984, set out certain revisions in rates which Valley proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$758 or 1.2 cents per Mcf.

(2) On September 20, 1984, Texas Gas filed decreased rates to be effective September 18, 1984, with the Federal Energy Regulatory Commission. These rates are in compliance with a Settlement Agreement as approved under Docket No. CP83-485 by Order issued September 18, 1984.

(3) Due to the retroactive nature of the decreased rates, Valley should report to the Commission any excess revenues collected during the period from September 18, 1984, to the date the proposed rates are implemented, along with a plan to refund any excess collections to its customers.

(4) Valley's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 6902 dated February 12, 1978, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after September 18, 1984.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after September 18, 1984.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Valley shall report to the Commission any excess revenues collected during the period from September 18, 1984, to the date the proposed rates are implemented, along with a plan to refund any excess collections.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Valley shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 19th day of October, 1984.

PUBLIC SERVICE COMMISSION

Richard D. Hemminger
Chairman

John D. I. [unclear]
Vice Chairman

John D. I. [unclear]
Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 6902-S DATED OCTOBER 19, 1984

The following rates and charges are prescribed for the customers served by Valley Gas, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

All Mcf consumed	\$4.3368 per Mcf
Minimum charge	\$4.34 per meter per month

The above rates include a refund factor of \$0.08 per Mcf effective March 1, 1984, and continuing for 4 months or until Valley has discharged its refund obligation from Case No. 6902-Q.

The base rate for the future application of the purchased gas adjustment clause of Valley Gas, Inc., shall be:

Texas Gas Transmission Corp.	<u>Commodity</u> 385.06¢ per Mcf
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